

RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
October 9, 2014

Members (Alternates) Present

Parker C. Agelasto.....	City of Richmond
Daniel Arkin.....	City of Richmond
Jonathan T. Baliles.....	City of Richmond
Karin Carmack.....	Powhatan County
Timothy M. Davey.....	Chesterfield County
Steve A. Elswick.....	Chesterfield County
Evan Fabricant.....	Hanover County
Kathy C. Graziano.....	City of Richmond
Russell J. Gulley.....	Chesterfield County
Angela Kelly-Wiecek.....	Hanover County
James M. Holland.....	Chesterfield County
Dorothy Jaeckle.....	Chesterfield County
David A. Kaechele.....	Henrico County
Floyd H. Miles, Secretary.....	Charles City County
John H. Mitchell.....	Henrico County
Tyrone E. Nelson.....	Henrico County
Patricia S. O'Bannon.....	Henrico County
C. Harold Padgett.....	Hanover County
Ken Peterson, Chairman.....	Goochland County
Edward W. Pollard.....	New Kent County
Rodney Poole.....	City of Richmond
Charles R. Samuels.....	City of Richmond
Randall R. Silber (A).....	Henrico County
Frank J. Thornton.....	Henrico County
Carson Tucker.....	Powhatan County
David Williams, Vice Chairman.....	Powhatan County

Members Absent

Daniel A. Gecker, Treasurer.....	Chesterfield County
Richard W. Glover.....	Henrico County
Eric Leabough.....	Henrico County
W. Canova Peterson.....	Hanover County
Faye O. Prichard.....	Town of Ashland
C. Thomas Tiller.....	New Kent County
Arthur S. Warren.....	Chesterfield County

Others Present

John AmosRRPDC Legal Counsel
C.W. Donato Dominion Virginia Power
Jen Kostyniuk..... Dominion Virginia Power
Greg Morgan..... Dominion Virginia Power
Mark Rhodes..... Dunham, Aukamp & Rhodes
Myra SmithLeadership Metro Richmond

Staff Present

Robert A. Crum Executive Director
Jo A. Evans.....Assistant Executive Director
Julie H. Fry Executive Secretary
Sulabh Aryal.....Associate Planner
Anne DarbySenior Planner
Billy GammelAssociate Planner
Chuck Gates Communications Coordinator
Barbara Jacocks.....Principal Planner
Jin LeeSenior Planner
Daniel N. LysyDirector, Transportation
Kathy Robins.....Senior Planner
Greta Ryan.....Senior Planner
Randy Selleck.....Principal Planner
Jackie Stewart..... Director, Planning
Sarah Stewart.....Senior Planner
Peter M. Sweetland..... Finance and Contracts Administrator

Call to Order

Chairman Peterson called the regularly scheduled October 9, 2014 RRPDC meeting to order at approximately 9:10 a.m. in the RRPDC board room. He then led members in the pledge of allegiance to the flag.

I. ADMINISTRATION

A. Certification by Commission Executive Director of Meeting Quorum

Mr. Crum certified that a quorum of members was present.

B. Requests for Additions or Changes to the Order of Business

Chairman Peterson asked if there were any additions or changes to be made to the agenda. There were no requests to change the agenda, and the agenda was accepted as presented.

C. Open Public Comment Period

As there were no requests from the public to address the Commission, Chairman Peterson closed the public comment period.

D. Chairman's Report

Chairman Peterson reported that several RRPDC Board members attended the Greater Richmond Chamber's InterCity Visit to Tampa, Florida during the spring. As part of the trip, a tour of the Port of Tampa was offered. As a follow up to that trip, the Chamber is sponsoring a tour of the Port of Richmond on October 15. Chairman Peterson said he and Mr. Crum toured the Port of Tampa and will also be attending the Port of Richmond tour. As a reminder, Chairman Peterson said no public funds were used for his visit to Tampa and none will be used for his visit to the Port of Richmond. He noted this is a good opportunity to learn about developments at the Port of Richmond as this is a key component to the Region's economic development.

Chairman Peterson reminded members that if they have any suggestions for meeting agenda topics, they should forward those to him or to Mr. Crum. For example, during last month's meeting, a presentation was provided on regional emergency management response capabilities for incidents on the James River which was a request from an RRPDC Board member. On today's agenda, Dominion Power will be in attendance to discuss the recent rate increase. This was also a suggestion from an RRPDC Board member. There have been other requests for information on regional indicators, among other topics, which will be included on future agendas.

E. Executive Director's Report

Mr. Crum brought members' attention to the staff activity report, which is included in the agenda book under Tab 1 and details work being advanced by staff on behalf of the localities. He said staff will be happy to address any questions on what is included in the report.

Mr. Crum reminded members that during the July meeting, a report was provided by Carrie Roth, who was recently appointed as the new CEO of the Virginia BioTech Park. She discussed an effort to expand regional entrepreneurial start-up services at the Park. The possibility of holding an RRPDC meeting at the BioTech Park was also discussed. Mr. Crum said he has spoken with Ms. Roth over the past couple of weeks, and he reported that Ms. Roth will be glad to host the November meeting at the BioTech Park. The guest speaker for the November meeting is Dr. Michael Rao, President of VCU.

The tentative schedule will be to hold both the RRPDC Executive Committee and Board meetings and then the members will be offered a tour of the BioTech Park facilities. Mr. Crum said if there are no objections, he will continue to plan for this meeting.

Chairman Peterson asked members if there were any objections to holding the November meetings at the BioTech Park. As there were no objections voiced, Mr. Crum said he and staff will work on meeting logistics and provide that to members prior to the meeting.

Chairman Peterson asked if there will be sufficient room for any members of the public to attend, as this is a public meeting, and if there will be recording capabilities. Ms. Fry noted that she has been invited to visit the BioTech Park prior to the meeting to see the meeting room and to discuss all of the meeting needs with the BioTech Park staff. Arrangements will be confirmed with members prior to the November meeting.

Mr. Crum said he would like to introduce a new RRPDC member – Mr. Rodney Poole, who represents the Richmond Planning Commission. Members welcomed Mr. Poole.

Mr. Crum also reported that staff has made contact with the office of the Virginia Secretary of Commerce and Trade, Mr. Maurice Jones, who has tentatively agreed to speak with members during the February meeting. This will be in response to members' request to continue discussions around economic development and job creation issues.

Additionally, Mr. Crum reported that the agency has received funding from the Virginia Department of Emergency Management, via federal funding from the U.S. Department of Homeland Security, which will allow the agency to continue its Emergency Management Planning program for another year. Mr. Crum said the Region is no longer part of the Urban Area Security Initiative (UASI) and this requires the Region to compete annually for grant funding. The funding will allow the Senior Emergency Management Planner, Kathy Robins, to continue her work with the Central Virginia Emergency Management Alliance (CVEMA) for another year. The current CVEMA chair is Ms. Emily Dillon, who is the Chesterfield County Emergency Management Coordinator.

F. Environmental and Intergovernmental Reviews

Chairman Peterson asked Mr. Crum to provide information on this item.

Mr. Crum said RRPDC staff contacts partner agencies to ask for comments regarding each review and then compiles the comments to return to the appropriate reviewing agency. This report is provided for members' information only and requires no action. He said these are provided to members to inform them of the work being done by RRPDC staff in cooperation with local staffs as part of the statutory requirements for the agency and to let members know about development activities in their neighboring jurisdictions.

II. CONSENT AGENDA

Chairman Peterson said the Executive Committee recommended approval of the items listed on the Consent Agenda:

- A. Meeting Minutes – September 11, 2014
- B. Financial Reports – August 2014

Ms. Graziano made a motion that the Consent Agenda be approved as presented. Mr. Williams seconded the motion. There was no additional discussion and the motion carried unanimously.

III. UNFINISHED BUSINESS

There was no Unfinished Business to bring before the Board.

IV. NEW BUSINESS

A. Report of the RRPDC Audit Committee

Chairman Peterson noted that the Chairman of the Audit Committee is the RRPDC Treasurer, who is Mr. Gecker. Mr. Gecker was unable to attend today's meeting, so Chairman Peterson noted he had filled in to lead the Audit Committee's meeting earlier this morning. Chairman Peterson asked Mr. Sweetland to introduce the auditor, who will present the FY14 Audit Report to members.

Mr. Sweetland introduced Mr. Mark Rhodes, who is a principle with Dunham, Aukamp and Rhodes. Mr. Sweetland noted that the agency has used this auditing firm for the past several years and determined that it would be a good idea to have a different member of the auditing firm to conduct this year's audit to provide a new perspective on the process. Mr. Sweetland reported that the Audit Committee met earlier this morning and voted to accept the FY14 Audit Report and to forward the report to the Executive Committee for its review. The Executive Committee also voted unanimously to accept the report and to forward it to the full RRPDC Board for its review and action.

Mr. Rhodes said he would provide a very brief review of the report and asked members to ask any questions they may have as he moves forward with the review.

Mr. Rhodes said the Independent Auditor's Report is on page one. This is a standard, unqualified, clean opinion. There were no findings, delinquencies, or material weaknesses noted. Mr. Rhodes noted this is his first year to conduct the audit and he appreciated the assistance of staff. He said it appears that the systems in place are sufficient. There are controls in place that have a second person looking at all transactions. Nothing came to the auditor's attention and there were no questions raised regarding the internal controls or the quality of those controls.

On page 25-26, the independent auditor's report is provided on internal control over financial reporting and on compliance and other materials based on an audit of financial statements performed in accordance with Government Auditing Standards.

The independent auditor's report on compliance for each major program and on internal control over compliance required by OMB Circular A-133 is summarized on pages 27-28. Mr. Rhodes noted there were no material weaknesses or significant discrepancies noted.

Page 29 summarizes the schedule of findings and costs for FY14. Mr. Rhodes noted there were no findings from the previous year's audit that needed to be addressed in the FY14 audit.

Mr. Rhodes said in summary, the FY14 RRPDC audit produced a clean report. He asked if there were any questions.

Chairman Peterson asked if there were any questions. He said the complete draft audit report is under Tab 5 in the agenda packet. He noted that on page 12, there is indication that the agency ran at a deficit for FY14, using about \$197 thousand from the undesignated fund balance. This was about \$28 thousand less than was budgeted. It is anticipated that this year, the agency will run at a surplus and begin to build back that capital. Chairman Peterson reviewed that on page 29, the summary report shows a clean, unqualified opinion with no material weaknesses or findings. There were no material findings from the previous year that needed to be addressed. Generally the report shows that the agency has good internal financial controls in place and that the agency is in a good financial position.

Chairman Peterson thanked Mr. Rhodes for agreeing to taking on the audit this year.

Mr. Williams said that the major portion of operating expenses is the rent paid by the agency for this office space. Members have discussed this previously. As noted during the Executive Committee meeting, Mr. Williams said that staff has been tasked to research other options that will allow the agency to put its resources to other uses.

Chairman Peterson said staff has been directed to begin to research alternatives and to report back to members when it is appropriate. This will include information on leasing versus purchase.

Ms. O'Bannon noted that this has been a topic of discussion for several years without any action being taken. She asked if there was a timeline for having staff develop alternatives.

Chairman Peterson said during previous discussions, there had been a question as to whether the current lease provided any options to negotiate a rate reduction. He said he believed staff reported that the lease is a fixed contract. The lease will end in three years.

Mr. Crum confirmed that there are just under three years left on the current lease. Ms. O'Bannon asked about the term for the current lease. Mr. Crum said the lease that was approved by the RRPDC Board prior to his arrival was for ten years with a three percent annual escalator. The lease was negotiated during a peak in the real estate market. The three percent escalator has put the agency in a very high rent situation. Mr. Crum said staff has already begun to explore other opportunities.

Ms. Kelly-Wiecek asked if some type of refund had been negotiated. She said she believed adjustments have been made where possible. Mr. Crum said Ms. O'Bannon had suggested previously to try to renegotiate the rent rate. When staff went to the landlord to do this,

staff was able to cancel mid-term lease painting and carpeting, which returned about \$30 thousand in pre-paid funds to the agency. Staff was not successful in a rate reduction.

Mr. Fabricant asked if it was possible to research the potential to purchase a building instead of to lease space. Chairman Peterson said staff is looking at that possibility as well.

Ms. O'Bannon said an analysis of purchase versus lease has been undertaken several times.

Chairman Peterson said the Audit Committee took unanimous action to recommend that the Executive Committee recommend to the full RRPDC Board that the FY14 Audit Report be accepted. The Executive Committee also voted unanimously to accept the FY14 Audit Report and to recommend acceptance by the full RRPDC Board.

Ms. Graziano made a motion that the RRPDC Board accept the FY14 Draft Audit Report as presented. The motion was seconded by Mr. Williams. There was no additional discussion and the motion carried unanimously.

Chairman Peterson thanked Mr. Rhodes for his efforts on the FY14 audit.

Mr. Crum said he would like to recognize Mr. Sweetland and Ms. Evans for their work handling the agency's day-to-day finances and their attention to detail which resulted in a clean audit.

Chairman Peterson noted this type of result begins with the Executive Director. He said it is rare to see a clean audit with no findings. He thanked Mr. Crum and his staff on behalf of the Board.

B. Virginia Dominion Power Rate Increase Update

Chairman Peterson asked Mr. Crum to introduce today's guest speakers.

Mr. Crum said he was pleased to introduce Jen Kostyniuk from Dominion Virginia Power. She and her team will provide information on the rate development process and on economic development work being done by Dominion.

Ms. Kostyniuk thanked members for the opportunity to speak with them today. She said she's a member of the Government Relations team at Dominion. She introduced Mr. Greg Morgan, Managing Director of Cost Allocation and Pricing, and Mr. Charlie Donato, Director of Economic Development.

Mr. Morgan said his team is responsible for determining rates and for presenting the rate changes to the State Corporation Commission (SCC) for their approval. He said Dominion's commitment to their customers includes:

- providing responsible, competitive rates and long-term value to retain and attract business

- delivering safe, reliable electric service to customers' homes and businesses now and in the future
- being responsible and offering innovative energy solutions to meet customers' energy needs and help them save money.

Mr. Morgan said that Dominion Virginia Power (DVP) is a fully integrated electric utility, providing full requirements of generation, transmission, and distribution service to all customers. He said DVP owns most of the generation plants that serve customers in its territory. Mr. Morgan pointed out that this is not a typical business model. Many northern states use a deregulated model where the power plants are divested from the utilities which offers a more competitive market. Mr. Morgan said DVP experimented with that type of model for about ten years but decided to return to the fully integrated model in 2007.

DVP rates are based on cost of service, including a return on investment. Rates are established in proceedings before and approved by the SCC.

Mr. Morgan said there are three types of rates included on a customer's bill. He provided an example of a rate breakdown for a GS-3, or large commercial/small industrial customer. About 41 percent is base rates. These include most utility costs for distribution and generation services, operating and maintenance costs, labor, and capital. Base rates are the fixed costs that are familiar to most customers. These have remained fundamentally the same since the early 1990s. There is a review every two years (odd numbered years) by the SCC that looks at revenue streams and cost structure. If it is determined DVP is earning within an approved band, there are no changes made.

About 40 percent is for fuel. Mr. Morgan said DVP makes about 90 percent of the power that is consumed by its customers. The other ten percent is purchased on the open market. Other factors include the pass through of actual cost (no profit) and weather and market influences. This portion is adjusted annually.

The third rate component is referred to as "riders," which make up about 19 percent. Riders were first developed in 2007 following the deregulation experiment. At that time DVP was experiencing a deficit in energy production, and it was determined that DVP needed to build more plants to address this deficit. Riders would allow DVP to recover revenue during a construction period. There are six generation riders that return investment in new power plant construction. About 4,000 megawatts of construction has occurred since 2007, including new coal, natural gas, and biomass plants. The riders are explicit payments for the cost of the power plants. They are incremental to the base rates and change annually based on investment in the region-wide transmission system and SCC action.

Mr. Morgan said the benefit to the rider system is that as soon as capital investments are made in a new plant, costs are added incrementally to customers' bills through riders.

The types of customers and their consumption will also affect rates. For example, residential customers will see higher base rates and lower fuel rates.

Mr. Morgan provided a comparison of DVP industrial rates against other regional and national rates. The rates are average per kilowatt-hour, 1,000 kW demand, and 650 thousand kWh usage, as of September 1, 2014.

DVP	6.1
SE Peer Group Avg.	7.1
National Avg.	8.6
East Coast Avg.	10.3

Mr. Morgan also provided an example of how DVP industrial rate increases/decreases compare with the national average in industrial rates since 2008. He noted that in December 2013, fuel costs were very low as a result of the mild summer. Fuel revenues were exceeding fuel costs. The statutes required DVP to make a rate decrease out of cycle. Rates were lowered voluntarily in December. In early 2014, the weather changed and the region endured several very cold spells. This caused fuel costs to rise dramatically. DVP filed a request in July, 2014 with the SCC to recover actual fuel costs from the first quarter of 2014. The rate has been amortized over two years as it was larger than DVP would have normally requested. Mr. Morgan said in hind-sight, DVP should not have lowered the rate in December.

Mr. Morgan said there is an aggressive construction program underway to reinvest in the transmission system which will affect the riders rate. The system is aging and needs to be upgraded. He pointed out that the security systems also need to be upgraded. The cost for the riders will increase during construction and decrease once plants go online.

In summary, Mr. Morgan said base rates remain fairly stable while fuel and riders costs fluctuate annually depending on many influences, such as cost of fuel and construction. The system is designed for stability and rates change incrementally.

Ms. O'Bannon asked about DVP's rates with regard to wind and solar energy. She noted that in England and Europe, these rates were increasingly high and decisions were made by governments to back away from subsidizing costs for renewable energy. Mr. Morgan replied that anything DVP does that will add costs other than lease costs will impact rates. He said most of the investments in renewable energy made by DVP have been small and experimental in nature. Renewables are typically higher in costs than fossil fuels. There are national drivers to use renewables. These federal requirements will mandate that carbon emissions be lowered. DVP will not use these sources unless they will be required to do so.

Mr. Donato added that DVP is looking for ways to keep the costs of renewables down.

Mr. Padgett asked how rates break down between coal, gas, and nuclear sources and if DVP is factoring in the anticipated resurgence of supply. Mr. Morgan said a third of DVP output comes from nuclear. This is purchased far in advance and is very stable in pricing. Coal is also stable in pricing. Natural gas and oil are also about a third of DVP's business. This is driven by changes in the market for gas and oil pricing. With regard to future

pricing, Mr. Morgan said DVP is adding more natural gas plants. One is in service and two are under construction. He said the role of renewables will be monitored. Some coal units will need to be retired based on federal regulations.

Mr. Padgett asked if DVP has experienced any issues with insulator vandalism as has been reported in other areas of the country. Mr. Morgan said he has not heard of any local cases, but DVP has been monitoring these news stories.

Mr. Agelasto asked how DVP's rates compare with regard to import/export since the rates are controlled by the General Assembly and rates in North Carolina, for example, are not controlled by their legislature. Mr. Morgan replied that as a state, DVP is a net importer. He said this is a result of economic selection and pricing. Mr. Morgan said DVP is part of a common market called PJM, Pennsylvania, New Jersey, Maryland Interconnection, which runs from Chicago to northern New Jersey. This is about 40 percent of the country's electrical load. Power plants bid their capacity and rights to make energy into the market daily. PJM selects the most economical rate to run for the entire system. This produces efficiency over the entire area.

Mr. Agelasto asked, if customers are paying a rider to cover the costs of infrastructure, then how does the open market cover the cost of the infrastructure if the infrastructure is only being built to benefit DVP. Mr. Morgan said riders on generation are paid at 100 percent by DVP customers. DVP generation plants are bidding into the common market. DVP receives 100 percent of the benefit coming back from the common market, which also benefits the customers. No value is being exported. Mr. Morgan said if DVP becomes an exporter, the state statutes have a profit sharing mechanism that will reduce rates to DVP customers.

Mr. Morgan provided information on how DVP residential customer rates compare with peers, regional, and national averages.

DVP	\$115.12
Virginia Avg.	\$122.35
National Avg.	\$131.61
DC Region Avg.	\$135.54
East Coast Avg.	\$144.34

He said rates are higher for residential customers because they pay for the distribution system to a much greater degree than an industrial customer. Load factors are also lower for residential customers. Mr. Morgan also provided a chart to show rate increases/decreases since 2008 as they compare to the national averages.

Mr. Agelasto said he read a report recently that Virginia ranks 43rd in energy efficiency. He asked about DVP programs to promote better customer energy efficiency. Mr. Morgan said a lot of what customers do with regard to energy efficiency is outside of what DVP does – for example switching to LED light bulbs. He said this type of effort is seen in fluctuations in DVP load growth. Utility programs must show a rate balance among

customers before the SCC will approve them. If a program is used that will benefit one class of customers over others, then it cannot harm those who are not participating.

At this time, Mr. Donato presented information on DVP's economic development activities. He said that the economic development program at DVP is based on the following:

- recruit new and expanding business; retain existing businesses
- enhance Virginia's competitiveness through wise investments – rates, power generation, electric transport
- partner well – provide economic development leadership in the areas served by DVP

Mr. Donato said when DVP customers win, DVP also wins. This allows rates to stay low. He noted that he has worked with all of the economic development staffs in the Richmond Region. He said his job is to make the Region a better place to sell, create jobs, make investments, and create a tax base. Mr. Donato said he and his entire team are all willing to work with the jurisdictions to achieve the best economic development results.

The DVP business proposition is based on the four Rs:

- rates
- reliability
- responsiveness
- renewable

Mr. Donato said his current focus is on the following:

- inventory of large, well served, viable sites in Virginia
- electric transportation – transmission lines, distribution lines, substations – security
- electric generation – developing the capability to continue to generate the electricity needed by complying with regulations
- advocate for Atlantic Coast Pipeline (ACP) project
- STEM education, Richmond 2015, Capital Trail

Mr. Padgett asked about DVP's meter program and how that is working. He also asked about the trial solar panel program.

Mr. Donato said the meter program (DVP regulates power consumption during peak times) is fully subscribed. A request has been made to the SCC to allow DVP to subscribe more customers in this program. The solar panel program is also sold out. Mr. Donato noted this will be an experimental program. Ms. Kostyniuk added that DVP has a partnership program with Virginia Union University and Old Dominion University for the solar panel pilot program. Residential and commercial needs within the test programs are taken into consideration.

Mr. Agelasto asked how the initiative to bury power lines should be addressed by the localities with regard to any preparations that needed to be made by the localities. Ms. Kostyniuk said this program is still in the planning stages. There are public meetings being planned to receive public input. Mr. Donato said analysis has been done on which circuits show the best potential for savings should lines be placed underground. This is a data-driven project. Areas with the most frequent outages that affect the largest number of customers will be given priority.

Mr. Agelasto said undergrounding for DVP's purposes is economically driven, but for the localities, this may also be a factor for commercial corridors. He asked if this was being taken into consideration. Mr. Donato said he was not sure if the program was limited to residential and would take that input back to their task force.

Ms. Kostyniuk said this is a 12-year project.

Mr. Kaechele asked about the status for the DVP building located in Innsbrook. Mr. Donato said the Innsbrook Technical Center is still being used for nuclear engineering and power station planning. A new operations center will be constructed that will take some of the Technical Center out because the technology needs to be updated. The old operations center will remain as a back-up, which is required by federal law.

Mr. Elswick asked where DVP will tap into the Atlantic Coast Pipeline (ACP) and if it will run through the Richmond metro area. Mr. Donato said the pipeline will run from Harrison County, West Virginia through Brunswick County, Virginia. It will go through Highland, Nelson, Augusta, and Buckingham Counties, exiting into Northampton County, North Carolina. There will be local distribution companies, mainly Columbia Gas and Virginia Natural Gas, along the pipeline. There is a spur that goes from Buckingham County to Chesapeake and into North Carolina, almost to South Carolina. The Federal Regulatory Commission will regulate the pipeline and DVP will construct it. The local distribution companies will act like franchises to sell their product off of the ACP. Mr. Donato said he can get the information on locations of the distribution companies and the ACP route to RRPDC staff for distribution to members.

Mr. Elswick asked if the supply of natural gas will meet all of the demand needed in the Region to enhance economic development. Mr. Donato said that will depend on how large the demand is from the business. He said he would need to look again at the ACP capacity before he could give a definitive answer to that question.

Mr. Elswick said this will be important information to have for business recruitment.

Chairman Peterson asked what data is used when projecting the energy needs for economic development. Mr. Donato said he feels the prospects for the Richmond Region are very good based on past announcements. With regard to providing the infrastructure to bring those prospects along, Mr. Donato said he feels that DVP is doing a good job in making sure the infrastructure is in place.

Mr. Davey said actual needs must be demonstrated before a request for a permit to build is made. This is a challenge in trying to stay ahead of growth as regulations do not allow DVP to speculate.

Mr. Donato said that there will be local distribution companies that will tap into the ACP in order to increase capacity along the line. The ACP can be expanded by increased compression. He said he will research the amount of natural gas that will be available to the Region and get back with members.

Mr. Pollard asked if there is a savings for customers to switch from electric power to natural gas. Mr. Donato said in some instances DVP will use gas to produce electricity. This will provide more stable rates. If customers are offered an option to switch to natural gas, there are some plans that allow customers to use both natural gas and electricity. Long-term investments in natural gas will allow more stable rates for several years.

Mr. Crum pointed out that many RRPDC Board members also sit on the MPO transportation planning Board. He asked if there are any rail transportation issues with regard to moving coal that might be discussed with the MPO Board. Mr. Donato said he will take that offer back to his team for discussion and let Mr. Crum know about any challenges. Mr. Crum said rail is part of the MPO's transportation planning process.

Ms. Kostyniuk said rate information is also included on the Dominion Virginia Power website – dom.com. She thanked members for the opportunity to bring this information to them today.

Chairman Peterson thanked Ms. Kostyniuk, Mr. Morgan, and Mr. Donato for their time to provide this presentation to members. Chairman Peterson said that as the Region strives to remain competitive, a large piece of that effort is to offer a low, stable cost of doing business and a low stable cost of energy.

C. Regional Food Policy Update

Chairman Peterson asked Mr. Crum to address this item.

Mr. Crum said he has briefly spoken with staff and would like to recommend to Chairman Peterson that this item be deferred to a future meeting. He said the presentation will take about 15 minutes, and staff would like to leave adequate time for discussion following the presentation.

Chairman Peterson said unless there is an objection, this item will be deferred to a future meeting.

V. OTHER BUSINESS

Chairman Peterson asked if there was any other business or any announcements.

Ms. O'Bannon offered congratulations to Mr. Agelasto on his recently announced engagement.

Mr. Tucker said that many jurisdictions are facing issues with biosolids, municipal waste, and solid waste. He would like to request that the Virginia Department of Environmental Quality (DEQ) and the State Water Control Board be invited to address these concerns, protocol, guidelines, and testing procedures on these types of waste, in particular industrial waste, at a future meeting. He would also like to have representatives from Synagro and NutriBlend attend and perhaps have a panel discussion.

Mr. Williams asked if this issue is something that should be considered as part of the legislative agenda. He said he knows a request has been made for a joint resolution asking for a study to be undertaken on the possible effects of industrial sludge on groundwater. Mr. Tucker said he would like to see that issue included on a legislative agenda.

Ms. Kelly-Wiecek said Hanover County would also appreciate having this issue included on a legislative agenda. She said DEQ has spoken with members of the Hanover County Board of Supervisors and she agreed that it would be beneficial for the RRPDC Board to hear their presentation. Hanover County has made a request of the General Assembly for a study on the effects of sludge.

Chairman Peterson said Goochland County also asked for a public meeting on the same issue and DEQ also spoke to the Goochland County Board of Supervisors. He said he believes DEQ has a public meeting scheduled for October 23. He said that item can be added to the legislative agenda.

VI. ADJOURNMENT

As there was no additional business to bring before the Board, Chairman Peterson adjourned the meeting at approximately 10:30 a.m.

Robert A. Crum, Jr.
Executive Director

Ken Peterson
Chairman